PATENT
Attorney Docket No. FLCT-P01-002

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

In re application of:	)	
	)	
Kay et al.	)	Art Unit: 2162
	)	
Serial No.: 09/216,206	)	Examiner: James Myhre
	)	
Filing Date: December 18, 1998	)	
	)	

For: OPTIMIZED INTERNET ADVERTISING USING HISTORY TO SELECT SITES

Certificate of First Class Mailing

I hereby certify that the attached Response to Office Action is being deposited with the United States Postal Service as first class mail in an envelope addressed to: Commissioner for Patents, Attention Board of Appeals and Interferences, Washington, D.C. 20231 on the date set forth below.

March 22, 2002   By: _Joan Glassman_

Date of Signature and Mail Deposit   Joan Glassman

Commissioner for Patents
Washington, DC 20231
Attention: Board of Appeals and Interferences

Sir:

BRIEF ON APPEAL

This is an appeal to the Board of Patent Appeals & Interferences from the decision of the Examiner finally rejecting claims 1-13 and 19-23 and this is in furthermore of the Notice of Appeal filed 03 May 2001. The appealed claims are as set forth in Appendix I. Provision for payment of the fee for filing the brief on appeal is submitted herewith. This brief is submitted in triplicate in accordance with the provisions of 37 C.F.R. § 1.192 (a).

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REAL PARTY OF INTEREST

The real party of interest is Engage, Inc., the assignee of Flycast Communications, Inc. assignee of the named in the caption of this brief.

RELATED APPEALS AND INTERFERENCES

There are no related appeals or interferences that will directly affect, directly be affected by, or have a bearing on the Board's decision in this appeal.

STATUS OF CLAIMS

Claims 1-13 and 19-23 were finally rejected in the Office Action dated January 3, 2001. Claims 14-18 and 24-28 were restricted. Accordingly, claims 1-13 and 19-23 are on appeal.

STATUS OF AMENDMENTS

No amendments have been filed subsequent to the final rejection of 3 January 2001. The status of claims in this case is as follows. The application was originally filed with claim 1-13. Claims 14-28 were added after the First Office Action of 12 April 2000. Claims 1-13 and 19-23 have been finally rejected in an Office Action of 03 January 2001. Claims 14-18 and 24-28 were the subject of a restriction requirement set out in the same Office Action.

SUMMARY OF INVENTION

The claimed invention includes, but is not limited to, on-line advertising systems that allow advertisers to bid for advertising space appearing on a webpage that is being served to a user. Thus, when a web-site is "hit" by a user and the web-site server is going to present the user with a web-page, if that web-page includes space for an advertisement, then there is a viewing opportunity (view-op) that one or more advertisers can bid on for delivering their ad to the user.

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(page 8, lines 19-25; page 10, lines 1-12). In one embodiment, each advertiser is associated with a bidding agent that can bid for the view-op. Bid selection logic can process the bids, determine which bid to accept, and present to the user the ad associated with the winning bidder.

These systems described in the application include logic to consider the effectiveness of a particular advertisement when determining whether and how much to bid. (Page 11, lines 4-11). That is, the systems described consider how effective a view-op has been. One way of measuring effectiveness is to measure how often a user "clicks-on" the displayed ad. As further discussed in the application, effectiveness, the system can then allow an advertiser to create an advertising schedule that places ad on sites with a different effectiveness.

Thus, systems and methods described in the patent application include systems that have a web server which stores advertisements including banner ads that may be displayed on a web-site. The systems also include bidding agents which submit bids to display advertisements during viewing opportunities (view-ops) which have certain specifications, and bid selection logic which decides which bid to accept for each particular view-op. With these systems and methods, when a view-op occurs which meets the specifications in a bid, the view-op is further evaluated in terms of the comparative effectiveness of the particular advertisement on each of the sites on which the advertisement was previously displayed. The frequency of the advertisement may be increased on sites that have proved effective and decreased on sites that have a lower effectiveness. (Page 4, lines 15-23).

ISSUES

Issue 1: Whether claims 1-13 and 19-23 are unpatentable under 35 U.S.C. §103 (a) because the applied combination of Gerace and Hanson would impel one of ordinary skill in the art to combine the teachings of Gerace with the teachings of Hanson to develop the systems and methods described within claims 1-13 and 19-23.

GROUPING OF CLAIMS

The claims do not stand or fall together. Claims 1-13 and 19-23 are separately patentable from each other.

ARGUMENT

Issue 1

Whether claims 1-13 and 19-28 are unpatentable under 35 U.S.C. § 103 in light of the applied combination of Hanson et al. with Gerace.

Claims 1-13 and 19-28 were finally rejected under 35 U.S.C. 103(a) as being unpatentable over Hanson et al. (US Patent 5,974,398) in view of Gerace (US Patent 5,991,735). This rejection is respectfully appealed.

The Hanson et al., reference teaches a system that displays on a user's terminal screen a number of bids from a plurality of advertisers willing to pay the user to view their ad by offering the user money or a credit that may be applied to the user's service account. When determining how much to bid, Hanson et al., note that the advertiser may consider characteristics of the user, such as the user's interests and/or demographic information.

Importantly, Hanson et al. have no teaching or suggestion of having an advertiser consider whether a user has selected the ad before or how effective the ad has been. This in not an accidental omission. Hanson et al. discuss a system where advertisers supply bids to the on-line service provider and the <u>on-line service provider presents the bids to the user.</u> Thus, Hanson et al. discuss a system that allows for making advertisements available to an on-line service provider; <u>not to a web site as recited in the claimed subject matter</u>.

For the subject matter of this case, this is a meaningful distinction. Specifically, with web sites a particular combination of advertisements with web-site content may prove more or less effective. Thus, applicants' realization that measuring the effectiveness of a web site/ad combination provides meaningful information for the bid determination process, provides an improvement over the prior art that is not suggested by Hanson et al., as asserted by the Final Office Action. In truth, it would be pointless for Hanson et al., which provides ads to an on-line service provider to display to a user employing that service provider, to try and measure the

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effectiveness of a combination advertisement and on-line service provider, since in Hanson et al. there is no suggestion that the on-line service provider will ever change. Moreover, it is illogical, and not supported by the cited art, to assert that there is any combination of advertisement/on-line service provider that would be more effective than another combination. Thus, this omission from Hanson et al. is meaningful and undercuts the rejection set out during prosecution that one of ordinary skill in the art would be motivated to modify the systems of Hanson et al. to achieve the claimed invention.

Importantly, the Final Action notes in rejecting claims 1, 4, 5, and 11, that "Hanson discloses a historical database which is used to record and track the usage of the site by various customers and for adjusting the advertiser's subsequent bid amounts..." While this is true, Hanson et al's historical database is merely for the purpose of collecting information about the user's behavior and enhancing the user's profile. Nothing about the historical database fills the void in Hanson concerning its lack of discussion or realization about the significance of measuring effectiveness. However, Hanson et al.'s focus on a historical database to increase ad effectiveness drives home the point that one of skill in the art would tend to try to improve ad performance by increasing the similarity between the content of the ad and the interests of the user.

To address the shortcomings of Hanson et al. the Final Action proposes to combine Hanson et al. with Gerace, to bridge the gap to applicants' inventive subject matter.

In making the combination of Hanson et al. with Gerace, the Final Action notes that "Gerace discloses a similar system and method for determining a behavioral profile...in which the advertisement cost is based upon the number of times the advertisement was displayed, the number of hits, and number of subsequent purchases made by customers." Additionally, in rejecting Claims 3, 8, 9, and 10, the action notes that "Gerace further discloses performing the calculation for each view-op after an initialization/evaluation period."

Although this is true, none of this suggests providing bid logic that uses a measure of effectiveness when determining whether to bid to place an ad on a view-op arising on a certain web-site. In fact, Gerace fails to propose any kind of system that looks to measure or employ effectiveness, or any characteristic, that may arise when a particular ad is shown in combination with a particular view-op.

Specifically, Gerace fails to bridge the gap between Hanson and the claimed system. Claim 1 recites a system having a process that takes into account the results achieved by previous

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displays of an advertisement during a view op on a website or set of websites, when determining whether to bid on a chance to present the advertisement during view-ops having particular characteristics. In contrast, Gerace describes a method that utilizes an advertisement success rate to alter the advertisement's characteristics "to see what characteristics are important, and who (type of user profile) the ad appeals to most." (Gerace, Col 18, lines 43-45). In the system of Claim 1, an advertisement success factor affects the "bid selection logic." In Gerace, an advertisement success factor causes a change in how to determine those users that meet the predetermined criteria for the advertisement. Thus, the cited combination of Hanson and Gerace do not yield Applicants' claimed invention, and instead would only provide a bidding process that employs effectiveness to tailor characteristics of the advertisement to be more suited to a targeted profile. There is no teaching or suggestion in Gerace to employ a function of the results achieved to determine whether an advertisement should be supplied during a view op. Yet this is explicit subject matter of Claim 1 and 19.

To further strengthen the rejection, the Final Action asserts, without providing any support, that the prior art teaches systems that measure the relative effectiveness between the same ad appearing in different magazines. Even if this were so, it fails to bridge the gap to the claimed subject matter that provides for an auction based advertising system that includes effectiveness when placing ads. But more troubling is that the Final Action relies on this assertion to support its rejection, yet there is no evidence provided in support of this assertion and yet this position is tantamount to the sole grounds for rejection.

The rejection of claims 3, 8, 9, and 10 is based upon Gerace further disclosing a process that performs an effectiveness calculation for each view-op after an initialization/evaluation period. Applicants respectfully disagree with this interpretation of Gerace wherein regression analysis is performed at scheduled intervals (See Gerace, Col 18, lines 42-43, 49). A scheduled updating of information at fixed intervals is not the equivalent of an initialization or evaluation period.

The above rejections cannot properly be maintained because the proposed combination of Hanson-Gerace does not teach or suggest the invention as presented in amended claims 1-13 and 19-23.
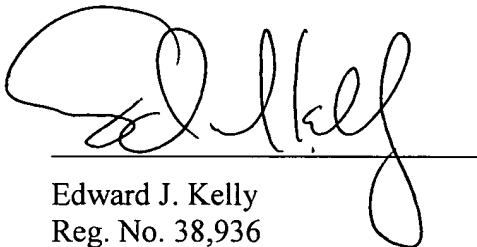
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CONCLUSION

For the reasons given above, it is respectfully urged that the final rejection be reversed and claims 1-13 and 19-23 be allowed.

Applicants previously authorized the Commissioner, to withdraw the requisite fee for filing this appeal brief in the amount of $155.00 from Applicants Deposit Account on December 3, 2001 along with the five month extension fee. Applicants believe this response is being timely filed and no further fees are necessary. If there are any other fees not accounted for above, Applicants authorize the Commissioner the fee be charged to **Deposit Account 18-1945**.

If there are any questions after reviewing this paper, the Examiner is invited to contact the undersigned at (617) 951-7532.

Respectfully submitted,

ROPES & GRAY

Date: March 22, 2002

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Appendix I

1) A system for making advertisements available to web sites on the Internet which includes:

a web server which stores advertisements,

means for supplying selection criteria for view-ops which have particular characteristics, and

bid selection logic which makes calculations as each view-op is presented to determine if an

advertisement should be supplied in response to a particular view-op, said calculations being a

function of results achieved by each display of the particular advertisement on the same site

previously.

2) An Internet advertising system which includes

bid selection logic that schedules advertisements on the sites that meet bid specifications based

upon results achieved by displaying the same advertisements on the same sites previously.

3) The system recited in claim 2 wherein said bid selection logic makes a calculation of said

schedule when each view-op appears after an initialization period.

4) The method of supplying advertisements to web sites on the World Wide Web which includes

the steps of comparing the properties of each view-op to the characteristics set out in a selection

criteria for advertising, and which schedules advertisements on web sites based upon the results

achieved by previous advertisements places on each of the web sites where the advertisement

was previously displayed.

5) An Internet advertising system that includes:

a web server system which stores advertisements and data bases, bidding agents which submit

bids to display advertisements in view-ops which have certain specifications, and

bid selection logic which decides which bid to accept for each particular view-op:

said bid selection logic including evaluation logic operable when a view-op occurs which meets

the specifications in a bid, for evaluating the comparative effectiveness of the particular

advertisements on each of the sites on which the advertisement was previously displayed and

wherein the frequency of the advertisement is increased on sites that have proved effective and

decreased on site that have a lower effectiveness.

6) The method recited in claim 4 wherein where the properties of a view-op are compared to the

characteristics set out in a plurality of bids for advertising, and the advertisement is displayed in

response to the highest bid in accordance with a schedule.

7) The method recited in claim 6 wherein said results achieved are calculated based upon what

would have happened if the advertisement here displayed on each appropriate view-op rather

than in accordance with said schedule.

8) The method recited in claim 4 which includes an initialization period wherein said

advertisement is not selected based upon the results previously achieved.

9) The method recited in claim 8 wherein after said initialization period, said results are calculated each time a view-op occurs.

10) The system recited in claim 5 wherein said evaluation logic is only operative after an evaluation period.

11) The system in claim 5 wherein said evaluation logic takes into consideration the action taken by a viewer in response to viewing an advertisement.

12) The system recited in claim 1 wherein the selection criteria is a monetary bid.

13) The system recited in claim 4 wherein said section criteria is a monetary bid.

14) Methods for providing a schedule for displaying an advertisement a desired number of times over a period of time on a plurality of websites, comprising,

computing scaling factors representative of the advertisement's effectiveness on the websites, and,

deriving the schedule as a function of an expected number of times the websites present a viewing opportunity over the period of time, and the scaling factors.

15) Methods according to claim 14, wherein computing scaling factors comprises determining a number of click-throughs for the advertisement at a viewing opportunity on the websites.

16) Methods according to claim 14, wherein computing scaling factors comprises establishing an initialization period with an associated initialization advertisement display schedule.

17) Methods according to claim 14, wherein deriving the schedule comprises computing a probability of display for a viewing opportunity on the respective websites.

18) Methods according to claim 14, comprising updating the schedule upon each viewing opportunity.

19) Methods for selecting an advertisement for display in response to a viewing opportunity on a website, comprising,

    providing advertisement bids having an advertisement, an advertisement campaign, and an advertisement selection criteria,

    comparing characteristics of the viewing opportunity to the advertisement bid selection criteria to identify at least one matching advertisement bid,

    selecting a highest matching advertisement bid,

    for the highest matching advertisement bid, computing a display schedule as a function of the associated advertisement campaign and a scaling factor representing the associated advertisement's effectiveness at viewing opportunities on a plurality of websites,

    determining from the display schedule whether the highest matching advertisement bid's advertisement should be displayed, and,

displaying the advertisement, or otherwise eliminating the highest matching

advertisement bid from the identified matching advertisement bids, and returning to selecting a

highest matching advertisement bid.

20) Methods according to claim 19, wherein comparing characteristics of the viewing

opportunity comprises comparing demographic profile information about a user accessing the

website.

21) Methods according to claim 19, wherein comparing characteristics of the viewing

opportunity comprises comparing information from the website.

22) Methods according to claim 19, wherein computing the display schedule comprises

measuring the advertisement's effectiveness by the number of respective click-throughs for the

advertisement on the plurality of websites.

23) Methods according to claim 22, further comprising generating effectiveness statistics during

a specified initialization period.

24) Computer program products disposed on a computer readable medium for providing a

schedule for displaying an advertisement a desired number of times over a period of time on a

plurality of websites, the computer program products comprising instructions for causing a

processor to,

compute scaling factors representative of the advertisement's effectiveness on the websites, and,

derive the schedule as a function of an expected number of times the websites present a viewing opportunity over the period of time, and the scaling factors.

25) Computer program products according to claim 24, wherein the instructions to compute scaling factors comprise instructions to determine a number of click-throughs for the advertisement at a viewing opportunity on the websites.

26) Computer program products according to claim 24, wherein the instructions to compute scaling factors comprise instructions to establish an initialization period with an associated initialization advertisement display schedule.

27) Computer program products according to claim 24, wherein the instructions to derive the schedule comprise instructions to compute a probability of display for a viewing opportunity on the respective websites.

28) Computer program products according to claim 24, further comprising instructions to update the schedule upon each viewing opportunity.

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Kay et al.	) Art Unit: 2162	APR 0 3 2002
	)	
Serial No.: 09/216,206	) Examiner: James Myhre **Technology Center 2100**	
	)	
Filing Date: December 18, 1998	)	
	)	

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Commissioner for Patents
Washington, DC 20231
Attention: Board of Appeals and Interferences

Sir:

TRANSMITTAL of BRIEF ON APPEAL

In reply to the Office Communication, "Notice of Defective Appeal Brief", mailed from the U.S. Patent Office on February 22, 2002, enclosed herewith for filing in the above-referenced application are the following:
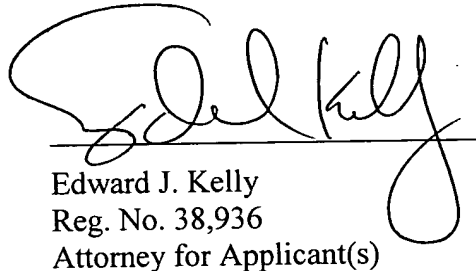
1. Brief on Appeal (7 pages, in triplicate);

2. Appendix (6 pages); and

3. Postpaid return postcard.

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Applicants previously authorized the Commissioner, to withdraw the requisite fee for filing this appeal brief in the amount of $155.00 from Applicants Deposit Account on December 3, 2001 along with the five month extension fee. Applicants believe this response is being timely filed and no further fees are necessary. If there are any other fees not accounted for above, Applicants authorize the Commissioner the fee be charged to **Deposit Account 18-1945**.

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